

Board	Date	Item #
JI	6/19/2003	7

**STATE OF WISCONSIN
DEPARTMENT OF EMPLOYEE TRUST FUNDS
801 West Badger Road
Madison, WI 53702**

CORRESPONDENCE MEMORANDUM

DATE: May 27, 2003

TO: Employee Trust Funds Board
Wisconsin Retirement Board
Teachers Retirement Board

FROM: Julie Reneau, Administrator
Retirement Services Division

SUBJECT: Benefit Payments System Development Status Report

Background

The 2001-2003 biennial budget authorized the Department to contract for the development of a new Benefit Payments System (BPS). The proposed system will replace the existing annuity payment system, the accumulated sick leave conversion credit system, and the lump sum benefit payment system. It will also automate a number of manual processes including the calculation of lump sum benefits and provide improved service and productivity through Web-enabled self-service functionality in close integration with the WRS membership system. Implementation of the new system is scheduled for June 2004.

You will receive regular reports on the status of the Benefit Payments System project.

Project Status

The project is approximately 48% complete at this time. Implementation has been delayed by six weeks due to unforeseen difficulties with completing the system architecture, system security and the application architecture portions of the project. The additional work required to implement the architecture has caused us to use approximately \$274,700 from our planned contingency fund. The variance is due to the BPS security implementation and Department of Electronic Government (DEG) requirements. The security components of BPS are an integral part of each transaction within BPS and between BPS and our other business systems.

As reported previously, we have agreed with DEG on an interim security solution using IBM/Tivoli Access Manager. The installation of this product has caused a delay in the build, integration and testing of the architecture and security solution. Until the security architecture is 90% complete and tested, development on system applications cannot begin. This solution is expected to be in place by the beginning of June.

We have started the design phase of the project. In this phase the user requirements (use cases), user interfaces (screens) and system architecture are merged for the first time. After the design phase, construction begins on specific applications.

In the 2003-2005 budget proposal, the Joint Finance Committee of the Legislature restored funding (inadvertently left out of Governor's proposal) requested by the Department to pay for the production costs to run the new system starting in 2004. Funding and support positions for on-line access for annuitants were not restored by Joint Finance.

Use Case Development

The BPS team continues to define details of the identified processes also known as "use cases." Use cases under review or already completed since the last report include:

- Maintain Health Insurance Dual Choice Changes
- Update Duty Disability Offsets
- Generate Accumulated Sick Leave Conversion Credit (ASLCC) Account Reporting (Forecast/Statements)
- Apply Annual Dividend
- Generate Annual Reports (Named Survivor/Marital cert.)
- Identify Deceased Annuitants and Related Persons
- Maintain Ticklers/Reminders
- Establish Reemployed Annuitant Account
- Depletion of ASLCC Account
- Maintain Health Insurance Deduction Due to Death
- Terminate Health Insurance Contracts
- Produce Duplicate Statements and Notices
- Run Actuarial Annual Processing
- Apply Variable Opt Out Elections
- Produce Monthly Health/Life Insurance Billing Reports
- Recertify 40.63 and 40.63 (4) Disability Benefits
- Access BPS Data
- Close WEBS Account
- Request Benefit Calculation
- Handle Receipt of Checks
- Process Income Verification
- Generate Special Payments
- Reverse Payments
- Report Tax Information Corrections

Issues

We must continue to carefully monitor all schedules for timely completion of the security implementation, development environment implementation, use case analysis, issues resolution, use case design and construction. Delays in any of these areas could mean further delays to the project.

We are beginning to plan for project transition, testing and training. Identifying and obtaining resources could prove challenging as the Department faces limited staffing and funding resources in light of a tight fiscal budget.